



ANNUAL STATEMENT

For the Year Ended December 31, 2011
of the Condition and Affairs of the

Molina Healthcare of Ohio, Inc.

NAIC Group Code.....1531, 1531 (Current Period) (Prior Period)	NAIC Company Code..... 12334	Employer's ID Number..... 20-0750134
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Licensed as Business Type.....Health Maintenance Organization	Is HMO Federally Qualified? Yes [] No [X]	
Incorporated/Organized..... November 19, 2003	Commenced Business..... October 24, 2005	
Statutory Home Office	8101 North High Street, Suite 180..... Columbus OH 43235 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	8101 North High Street, Suite 180..... Columbus OH 43235 (Street and Number) (City or Town, State and Zip Code)	614-781-4300 (Area Code) (Telephone Number)
Mail Address	8101 North High Street, Suite 180..... Columbus OH 43235 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	8101 North High Street, Suite 180..... Columbus OH 43235 (Street and Number) (City or Town, State and Zip Code)	614-781-4300 (Area Code) (Telephone Number)
Internet Web Site Address	www.molinahealthcare.com	
Statutory Statement Contact	Benjamin Sargent Orris (Name) benjamin.orris@molinahealthcare.com (E-Mail Address)	614-781-4300 (Area Code) (Telephone Number) (Extension) 614-781-1410 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Amy Schultz Clubbs #	President	2. Benjamin Sargent Orris #	Treasurer/VP
3. Jeffrey Don Barlow	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Amy Schultz Clubbs # Teri Daly Lauenstein # James Dwight Forshee MD

State of..... Ohio
County of..... Franklin

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Amy Schultz Clubbs	(Signature) Benjamin Sargent Orris	(Signature) Jeffrey Don Barlow
1. (Printed Name) President	2. (Printed Name) Treasurer/VP	3. (Printed Name) Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This _____ day of _____ 2012	b. If no	1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	64,626,405		64,626,405	64,410,108
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(9,281,824), Sch. E-Part 1), cash equivalents (\$.....51,441,849, Sch. E-Part 2) and short-term investments (\$.....78,455,232, Sch. DA).....	120,615,257		120,615,257	104,543,746
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	185,241,662	.0	185,241,662	168,953,854
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	730,091		730,091	810,441
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	11,390,152		11,390,152	8,082,533
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....	2,350		2,350	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	483,606
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....	70,650		70,650	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	1,203,705		1,203,705	854,306
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	6,615		6,615	15,466
21. Furniture and equipment, including health care delivery assets (\$.....0).....	475,404	475,404	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....15,966,675) and other amounts receivable.....	15,995,004	28,329	15,966,675	13,057,180
25. Aggregate write-ins for other than invested assets.....	248,466	241,042	7,424	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	215,364,099	744,775	214,619,324	192,257,386
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	215,364,099	744,775	214,619,324	192,257,386

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Prepayments and Other Receivables.....	248,466	241,042	7,424	
2502. ....			.0	
2503. ....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	248,466	241,042	7,424	.0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	73,485,008		73,485,008	61,013,754
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	981,265		981,265	1,006,487
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	20,362,696		20,362,696	15,638,183
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	357,436		357,436	5,444,742
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	288,671		288,671	205,167
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
20. Reinsurance in unauthorized companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	3,378,324	0	3,378,324	10,010,417
24. Total liabilities (Lines 1 to 23).....	98,853,400	0	98,853,400	93,318,750
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	1,500	1,500
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	53,888,500	82,888,500
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	61,875,924	16,048,636
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	115,765,924	98,938,636
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	214,619,324	192,257,386

DETAILS OF WRITE-INS

2301. Amounts Due to State.....	3,378,324		3,378,324	10,010,417
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	3,378,324	0	3,378,324	10,010,417
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	2,966,124	2,816,880
2. Net premium income (including \$.....0 non-health premium income).....	XXX	998,772,343	865,962,971
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	1,682,964	(8,014,660)
7. Aggregate write-ins for other non-health revenues.....	XXX	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX	1,000,455,307	857,948,311
Hospital and Medical:			
9. Hospital/medical benefits.....		531,456,027	500,214,369
10. Other professional services.....		80,006,577	83,307,527
11. Outside referrals.....			
12. Emergency room and out-of-area.....		96,564,667	67,759,027
13. Prescription drugs.....		53,574,204	13,079,801
14. Aggregate write-ins for other hospital and medical.....0		3,941,892	3,163,173
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....0		765,543,367	667,523,897
Less:			
17. Net reinsurance recoveries.....		1,811,341	3,092,464
18. Total hospital and medical (Lines 16 minus 17).....0		763,732,026	664,431,433
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....18,846,080 cost containment expenses.....		22,781,732	21,588,156
21. General administrative expenses.....		145,466,426	121,828,258
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....0		931,980,184	807,847,847
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	68,475,123	50,100,464
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,090,220	941,103
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....		102,176	(2,162)
27. Net investment gains or (losses) (Lines 25 plus 26).....0		1,192,396	938,941
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....0		.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	69,667,519	51,039,405
31. Federal and foreign income taxes incurred.....	XXX	24,324,454	13,117,472
32. Net income (loss) (Lines 30 minus 31).....	XXX	45,343,065	37,921,933

DETAILS OF WRITE-INS			
0601. Performance Revenue.....	XXX	1,682,964	(8,014,660)
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	1,682,964	(8,014,660)
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	.0	.0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	.0	.0
1401. Transportation Costs.....		3,941,892	3,163,173
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....0		.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....0		3,941,892	3,163,173
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....0		.0	.0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....0		.0	.0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	98,938,636	73,595,561
34. Net income or (loss) from Line 32.....	45,343,065	37,921,933
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$0.....	110,411	(110,412)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(71,021)	(5,127,924)
39. Change in nonadmitted assets.....	444,834	659,478
40. Change in unauthorized reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	(29,000,000)	(8,000,000)
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	16,827,289	25,343,075
49. Capital and surplus end of reporting period (Line 33 plus 48).....	115,765,925	98,938,636

DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	995,462,374	784,260,335
2. Net investment income.....	2,585,742	974,380
3. Miscellaneous income.....	1,682,964	(8,014,660)
4. Total (Lines 1 through 3).....	999,731,080	777,220,055
5. Benefit and loss related payments.....	750,777,166	662,479,123
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	170,251,610	124,259,412
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	29,411,760	5,824,782
10. Total (Lines 5 through 9).....	950,440,536	792,563,317
11. Net cash from operations (Line 4 minus Line 10).....	49,290,544	(15,343,262)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	25,945,349	7,245,000
12.2 Stocks.....	16,000,594	
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		(208)
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	41,945,942	7,244,792
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	27,474,642	39,116,754
13.2 Stocks.....	16,000,594	
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	43,475,236	39,116,754
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,529,293)	(31,871,962)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		(8,000,000)
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	29,000,000	
16.6 Other cash provided (applied).....	(2,689,739)	11,708,826
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(31,689,739)	3,708,826
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	16,071,512	(43,506,398)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	104,543,745	148,050,143
19.2 End of year (Line 18 plus Line 19.1).....	120,615,257	104,543,745

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	998,772,343						1,847,495	996,924,848		
2. Change in unearned premium reserves and reserve for rate credit.....	0									
3. Fee-for-service (net of \$.....0 medical expenses).....	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	1,682,964	0	0	0	0	0	0	1,682,964	0	XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	1,000,455,307	0	0	0	0	0	1,847,495	998,607,812	0	0
8. Hospital/medical benefits.....	531,456,027						347,396	531,108,631		XXX
9. Other professional services.....	80,006,577						19,101	79,987,476		XXX
10. Outside referrals.....	0									XXX
11. Emergency room and out-of-area.....	96,564,667						853,807	95,710,860		XXX
12. Prescription drugs.....	53,574,204						502,619	53,071,585		XXX
13. Aggregate write-ins for other hospital and medical.....	3,941,892	0	0	0	0	0	6,653	3,935,239	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14).....	765,543,367	0	0	0	0	0	1,729,576	763,813,791	0	XXX
16. Net reinsurance recoveries.....	1,811,341							1,811,341		XXX
17. Total hospital and medical (Lines 15 minus 16).....	763,732,026	0	0	0	0	0	1,729,576	762,002,450	0	XXX
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....18,846,080 cost containment expenses.....	22,781,732						26,213	22,755,519		
20. General administrative expenses.....	145,466,426						279,960	145,186,466		
21. Increase in reserves for accident and health contracts.....	0									XXX
22. Increase in reserve for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22).....	931,980,184	0	0	0	0	0	2,035,749	929,944,435	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	68,475,123	0	0	0	0	0	(188,254)	68,663,377	0	0

DETAILS OF WRITE-INS

0501. Performance Revenue.....	1,682,964							1,682,964		XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	1,682,964	0	0	0	0	0	0	1,682,964	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Transportation and Other FFS Payments.....	3,941,892						6,653	3,935,239		XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above).....	3,941,892	0	0	0	0	0	6,653	3,935,239	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....				0
2.	Medicare supplement.....				0
3.	Dental only.....				0
4.	Vision only.....				0
5.	Federal employees health benefits plan.....				0
6.	Title XVIII - Medicare.....	1,852,046		4,551	1,847,495
7.	Title XIX - Medicaid.....	1,000,705,150		3,780,302	996,924,848
8.	Other health.....				0
9.	Health subtotal (Lines 1 through 8).....	1,002,557,196	0	3,784,853	998,772,343
10.	Life.....				0
11.	Property/casualty.....				0
12.	Totals (Lines 9 to 11).....	1,002,557,196	0	3,784,853	998,772,343

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	769,038,787						1,554,724	767,484,063		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	2,294,947							2,294,947		
1.4 Net.....	766,743,840	0	0	0	0	0	1,554,724	765,189,116	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	73,485,008						299,995	73,185,013		
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	73,485,008	0	0	0	0	0	299,995	73,185,013	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	15,966,676							15,966,676		
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	61,013,753						125,144	60,888,609		
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	61,013,753	0	0	0	0	0	125,144	60,888,609	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	483,606							483,606		
12. Incurred benefits:										
12.1 Direct.....	765,543,366	0	0	0	0	0	1,729,575	763,813,791	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	1,811,341	0	0	0	0	0	0	1,811,341	0	0
12.4 Net.....	763,732,025	0	0	0	0	0	1,729,575	762,002,450	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	25,403,043						28,170	25,374,873		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	25,403,043	0	0	0	0	0	28,170	25,374,873	0	0
2. Incurred but unreported:										
2.1 Direct.....	48,081,965						271,825	47,810,140		
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	48,081,965	0	0	0	0	0	271,825	47,810,140	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	73,485,008	0	0	0	0	0	299,995	73,185,013	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	73,485,008	0	0	0	0	0	299,995	73,185,013	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....					0	
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....	59,481	1,002,230		299,995	59,481	113,597
7. Title XIX - Medicaid.....	44,712,627	723,264,450	351,872	72,833,142	45,064,499	60,900,156
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	44,772,108	724,266,680	351,872	73,133,137	45,123,980	61,013,753
10. Healthcare receivables (a).....	13,372,524	1,811,341		15,966,676	13,372,524	13,372,524
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	31,399,584	722,455,339	351,872	57,166,461	31,751,456	47,641,229

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					
2. 2007.....	266,797	254,873	254,446	254,446	254,446
3. 2008.....	XXX	330,109	525,434	524,119	524,119
4. 2009.....	XXX	XXX	622,526	658,165	658,165
5. 2010.....	XXX	XXX	XXX	695,885	740,657
6. 2011.....	XXX	XXX	XXX	XXX	724,266

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					
2. 2007.....	266,797	254,873	254,446	254,446	254,446
3. 2008.....	XXX	368,521	532,333	524,119	524,119
4. 2009.....	XXX	XXX	674,768	658,290	658,165
5. 2010.....	XXX	XXX	XXX	756,774	741,008
6. 2011.....	XXX	XXX	XXX	XXX	797,400

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2007.....	443,322	254,446	8,648	3.4	263,094	59.3			263,094	59.3
2. 2008.....	601,519	524,119	14,261	2.7	538,380	89.5			538,380	89.5
3. 2009.....	801,858	658,165	21,910	3.3	680,075	84.8			680,075	84.8
4. 2010.....	857,948	740,657	21,434	2.9	762,091	88.8	352		762,443	88.9
5. 2011.....	1,000,455	724,266	24,034	3.3	748,300	74.8	73,133	982	822,415	82.2

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					
2. 2007.....					
3. 2008.....	XXX				
4. 2009.....	XXX	XXX	99	116	116
5. 2010.....	XXX	XXX	XXX	233	292
6. 2011.....	XXX	XXX	XXX	XXX	1,002

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					
2. 2007.....					
3. 2008.....	XXX				
4. 2009.....	XXX	XXX	158	116	116
5. 2010.....	XXX	XXX	XXX	347	292
6. 2011.....	XXX	XXX	XXX	XXX	1,302

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2007.....				0.0	0	0.0			0	0.0
2. 2008.....				0.0	0	0.0			0	0.0
3. 2009.....	140	116		0.0	116	82.9			116	82.9
4. 2010.....	584	292		0.0	292	50.0			292	50.0
5. 2011.....	1,847	1,002		0.0	1,002	54.3	300	6	1,308	70.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	17,598	15,611	15,415	15,415	15,415
2. 2007.....	266,797	254,873	254,446	254,446	254,446
3. 2008.....	XXX	330,109	525,434	524,119	524,119
4. 2009.....	XXX	XXX	622,427	658,049	658,049
5. 2010.....	XXX	XXX	XXX	695,652	740,365
6. 2011.....	XXX	XXX	XXX	XXX	723,264

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	19,781	15,807	15,415	15,415	15,415
2. 2007.....	266,797	254,873	254,446	254,446	254,446
3. 2008.....	XXX	368,521	532,333	524,119	524,119
4. 2009.....	XXX	XXX	674,610	658,174	658,049
5. 2010.....	XXX	XXX	XXX	756,427	740,716
6. 2011.....	XXX	XXX	XXX	XXX	796,098

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2007.....	443,322	254,446	8,648	3.4	263,094	59.3			263,094	59.3
2. 2008.....	601,519	524,119	14,261	2.7	538,380	89.5			538,380	89.5
3. 2009.....	801,718	658,049	21,910	3.3	679,959	84.8			679,959	84.8
4. 2010.....	857,364	740,365	21,434	2.9	761,799	88.9	352		762,151	88.9
5. 2011.....	998,608	723,264	24,034	3.3	747,298	74.8	72,833	976	821,107	82.2

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Other
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Other
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Other
NONE**

**U & I Ex.-Pt.2D
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	42,920		2,359,087		2,402,007
2. Salaries, wages and other benefits.....	11,438,969	1,304,698	32,679,394		45,423,061
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....			1,382,175		1,382,175
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	429,265	40,624	4,383,003		4,852,892
7. Traveling expenses.....	93,722	10,466	1,163,967		1,268,155
8. Marketing and advertising.....	989,116	119	441,323		1,430,558
9. Postage, express and telephone.....	129,967	1,311	2,532,674		2,663,952
10. Printing and office supplies.....	120,497	11,134	1,992,006		2,123,637
11. Occupancy, depreciation and amortization.....			5,922,120		5,922,120
12. Equipment.....	3,288	359	922,816		926,463
13. Cost or depreciation of EDP equipment and software.....	668,407		4,100,792		4,769,199
14. Outsourced services including EDP, claims, and other services.....	259,479	2,194,398	3,040,648		5,494,525
15. Boards, bureaus and association fees.....	17,210	136	168,945		186,291
16. Insurance, except on real estate.....	1,588,693	266,333	3,584,426		5,439,452
17. Collection and bank service charges.....			77,056	91,103	168,159
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....	64	9	291,951		292,024
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			77,435,281		77,435,281
23.3 Regulatory authority licenses and fees.....	16,216		333,463		349,679
23.4 Payroll taxes.....	941,007	105,507	2,070,780		3,117,294
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	2,107,260	558	584,520	0	2,692,338
26. Total expenses incurred (Lines 1 to 25).....	18,846,080	3,935,652	145,466,427	91,103	(a)....168,339,262
27. Less expenses unpaid December 31, current year.....		981,265	20,362,696		21,343,961
28. Add expenses unpaid December 31, prior year.....		1,006,487	15,638,183		16,644,670
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....		70,650			70,650
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	18,846,080	4,031,524	140,741,914	91,103	163,710,621

DETAILS OF WRITE-INS

2501. Contributions - Political.....	24,684		23,471		48,155
2502. Contributions - Charity.....			442,443		442,443
2503. Continuing Educ / User Training.....	4,412	78	38,606		43,096
2598. Summary of remaining write-ins for Line 25 from overflow page.....	2,078,164	480	80,000	0	2,158,644
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,107,260	558	584,520	0	2,692,338

(a) Includes management fees of \$.....60,735,368 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....52,815	.....41,311
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....1,013,306	.....957,760
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....204,826	.....182,252
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....1,270,947	.....1,181,323
11. Investment expenses.....	.....	(g).....91,103
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....91,103
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,090,220

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0
(a) Includes \$.....1,125 accrual of discount less \$.....1,526,708 amortization of premium and less \$.....162,997 paid for accrued interest on purchases.		
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.		
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.		
(e) Includes \$.....65,014 accrual of discount less \$.....206,298 amortization of premium and less \$.....114,259 paid for accrued interest on purchases.		
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.		
(g) Includes \$.....8,303 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.		
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.		
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....102,176	.....	.....102,176	.....110,411	.....
1.3 Bonds of affiliates.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....0	.....	.....
2.11 Preferred stocks of affiliates.....0	.....	.....
2.2 Common stocks (unaffiliated).....0	.....	.....
2.21 Common stocks of affiliates.....0	.....	.....
3. Mortgage loans.....0	.....	.....
4. Real estate.....0	.....	.....
5. Contract loans.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....0	.....	.....
7. Derivative instruments.....0	.....	.....
8. Other invested assets.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....102,176	.....0	.....102,176	.....110,411	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.....0
2.2 Common stocks.....			.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.....0
3.2 Other than first liens.....			.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.....0
4.2 Properties held for the production of income.....			.....0
4.3 Properties held for sale.....			.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.....0
6. Contract loans.....			.....0
7. Derivatives (Schedule DB).....			.....0
8. Other invested assets (Schedule BA).....			.....0
9. Receivables for securities.....			.....0
10. Securities lending reinvested collateral assets (Schedule DL).....			.....0
11. Aggregate write-ins for invested assets.....	.....0	.....0	.....0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.....0	.....0	.....0
13. Title plants (for Title insurers only).....			.....0
14. Investment income due and accrued.....			.....0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			.....0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.....0
15.3 Accrued retrospective premiums.....			.....0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.....0
16.2 Funds held by or deposited with reinsured companies.....			.....0
16.3 Other amounts receivable under reinsurance contracts.....			.....0
17. Amounts receivable relating to uninsured plans.....			.....0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.....0
18.2 Net deferred tax asset.....		.....420,419	.....420,419
19. Guaranty funds receivable or on deposit.....			.....0
20. Electronic data processing equipment and software.....			.....0
21. Furniture and equipment, including health care delivery assets.....	.....475,404	.....633,911	.....158,507
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
23. Receivables from parent, subsidiaries and affiliates.....			.....0
24. Health care and other amounts receivable.....	.....28,329		.....(28,329)
25. Aggregate write-ins for other than invested assets.....	.....241,042	.....135,279	.....(105,763)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....744,775	.....1,189,609	.....444,834
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....744,775	.....1,189,609	.....444,834

DETAILS OF WRITE-INS

1101. ....			.....0
1102. ....			.....0
1103. ....			.....0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0
2501. Prepaid Expenses.....	.....241,042	.....135,279	.....(105,763)
2502. ....			.....0
2503. ....			.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....241,042	.....135,279	.....(105,763)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	.....244,942	.....247,408	.....245,319	.....255,796	.....248,004	.....2,966,124
2. Provider service organizations.....	.....	.....	.....	.....	.....	.....
3. Preferred provider organizations.....	.....	.....	.....	.....	.....	.....
4. Point of service.....	.....	.....	.....	.....	.....	.....
5. Indemnity only.....	.....	.....	.....	.....	.....	.....
6. Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0	.....0	.....0
7. Total.....	.....244,942	.....247,408	.....245,319	.....255,796	.....248,004	.....2,966,124

DETAILS OF WRITE-INS

0601. ....	.....	.....	.....	.....	.....	.....
0602. ....	.....	.....	.....	.....	.....	.....
0603. ....	.....	.....	.....	.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.....0	.....0	.....0	.....0	.....0	.....0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Molina Healthcare of Ohio, Inc. (the “Company”) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance (ODI) recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio insurance law. The National Association of Insurance Commissioners’ *Accounting Practices and Procedures Manual* (the “Manual”) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

The state has adopted certain prescribed accounting practices that differ from those found in the Manual. Specifically,

- (1) Provides limitations on investments that are outside the scope of the Manual.
- (2) Provides for establishment of statutory premium reserve - provides a calculation method that differs from the Manual.

Such prescribed accounting practices have no significant effect on the Company’s statutory-basis financial statements for the periods presented.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the period. Actual results could differ from those estimates.

C. Accounting Policy

Revenue Recognition: The Company arranges for the provision of health care services to Medicaid and Medicare recipients under contracts with the state of Ohio, and the Centers for Medicare and Medicaid Services (CMS). Premium revenue is fixed in advance of the periods covered and, except as described below and in Note 24, is not generally subject to significant accounting estimates.

Effective October 1, 2011 the state of Ohio began to include funding in the Medicaid capitation rates for an MCP/hospital incentive. All such funds received by the Company are required to be remitted to the Ohio Hospital Association, which in turn distributes the funds only to hospitals that are contracted with Medicaid managed care plan. These amounts received and distributed are presented as both net premium income, and hospital and medical expense, on the statement of revenue and expenses.

Quality Incentive Program: Under the Company's contract with the state of Ohio, incremental revenue of up to 1% of the Company's total premium revenue is earned if certain performance measures are met. Effective February 1, 2010 through June 30, 2011, the Company is eligible to earn additional incremental revenue of up to 0.25% of total premium revenue if certain pharmacy-specific performance measures are met. These performance measures are generally linked to various quality-of-care measures dictated by the state.

The pharmacy benefit was restored to managed care plans effective October 1, 2011, by the state of Ohio.

Recognition of Health Care Costs: Medical and hospital expenses related to both capitation and fee-for-service programs are recorded in the period in which the related services are dispensed or the member is entitled to service. Medical and hospital expenses include payments to primary care physicians, specialists, hospitals, pharmacies and other health care providers. In general, primary care physicians are paid on either a fee-for-service basis or a capitated basis (a fixed amount per-member per-month regardless of actual utilization of medical services), while specialists and hospitals are paid on a fee-for-service basis. Under capitated contracts, the Plan is liable for the provision of certain health care services, while under fee-for-service arrangements, the Plan retains the financial responsibility for medical care provided at discounted payments rates.

In addition, the Company applies the following accounting policies:

- (1) Short-term investments consist of Bonds and money market funds with maturity dates of less than one year from the date of issuance. Realized capital gains and losses are determined using the specific identification method.
- (2) Bonds not backed by other loans are principally stated at amortized cost using the scientific method. Changes in admitted asset carrying amounts of bonds are credit or charged directly to unassigned surplus.
- (3) Investments in common stock: None

NOTES TO FINANCIAL STATEMENTS

- (4) Investments in preferred stock: None
- (5) Investments in mortgage loans: None
- (6) Investments in loan-backed securities:

Loan-backed securities designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are stated at amortized cost. The Company’s investments in loan-back securities consisted of auction rate securities, all of which were collateralized by student loan portfolios guaranteed by the U.S. government. Prepayment assumptions using a prospective approach were obtained from broker-dealer survey values or internal estimates.

- (7) Investments in subsidiaries, controlled or affiliated companies: None
- (8) Investments in joint ventures, partnerships and limited liability companies: None
- (9) Investments in derivatives: None

- (10) The Company assesses the profitability of its contracts for providing health care services to its members when current operating results or forecasts indicate probable future losses. The Company compares anticipated premiums and investment income to health care related costs, including estimated payments for providers, commissions and costs of collecting premiums and processing claims. If the anticipated future costs exceed the premiums, a loss contract accrual is recognized. No premium deficiency reserves were deemed necessary as of December 31, 2011.
- (11) Claims unpaid and claims adjustment expenses represent management’s best estimate of the ultimate net cost of all reported and unreported claims incurred through December 31. Such estimates are based on many variables, including estimates of unreported claims using historical and statistical information and other factors. Such estimates are subject to the effects of trends in claims severity and frequency, changes in the regulatory environment and economic conditions. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. The methods for making such estimates and the resulting reserves are continually reviewed and updated as necessary as experience develops or new information becomes known; such adjustments are included in current operations.
- (12) There was no change in the capitalization policy from prior periods.
- (13) Amounts receivable for pharmacy rebates are estimated based on historical rebate-per-claim realization rates. Rebates are typically collected on a quarterly basis 30 days after the end of each quarter.

2. Accounting Changes and Corrections of Errors

In the third quarter of 2011, the Company discovered that statutory reports for prior periods did not reflect the ODI opinion issued in February 2006 on accounting for an arrangement between the Company and a certain capitated provider group. To conform to the recommendation by the ODI, in the annual financial statement for the period ended December 31, 2011, the Company did not recognize a liability for capitation payments withheld from this group amounting to \$8,173,972 which have been placed in an escrow account. Additionally, the Company did not recognize the related escrow account of \$8,173,972 (net of accrued interest of \$490,877). In prior periods, the amount due to the capitated provider group was included in unpaid claims (Liabilities, Capital and Surplus, Line 1), the accrued interest was included in general expenses due or accrued (Liabilities, Capital and Surplus, Line 9), and the related escrow account was included in cash (Assets, Line 5). There is no impact to net income or surplus relating to this change.

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgages: None
- D. Loan-Backed Securities:

NOTES TO FINANCIAL STATEMENTS

(1),(4),(5) As of December 31, 2011, \$7.7 million of the Company’s long-term investments consisted of auction rate securities. As of December 31, 2011, these securities had a fair value of \$6.7 million, for a total of \$1.0 million in unrealized losses. These securities have been in a continuous loss position for more than 12 months.

Due to events in the credit markets, these auction rate securities experienced failed auctions beginning in the first quarter of 2008. As such, quoted prices in active markets were not readily available during the majority of 2008, all of 2009 and 2010, and continued to be unavailable as of December 31, 2011. To estimate the fair value of these securities, the Company used pricing models that included factors such as the collateral underlying the securities, the creditworthiness of the counterparty, the timing of expected future cash flows, and the expectation of the next time the security would have a successful auction. The estimated values of these securities were also compared, when possible, to valuation data with respect to similar securities held by other parties. Prepayment assumptions using a prospective approach were obtained from broker-dealer survey values or internal estimates. The Company concluded that these estimates, given the lack of market available pricing, provided a reasonable basis for determining fair value of the auction rate securities as of December 31, 2011.

The Company attributes the decline in market value of these loan-backed securities to liquidity issues, as a result of the failed auction market, rather than to credit issues. Because the decline in market value is not due to the credit quality of the issuers, and because the Company does not intend to sell, nor is it more likely than not that the Company will be required to sell, these investments before recovery of their cost, the Company does not consider the auction rate securities that are designated as available-for-sale to be other-than-temporarily impaired at December 31, 2011.

- E. Repurchase Agreements and/or Securities Lending Transactions: None
- F. Real Estate: None
- G. Low-Income Housing Tax Credits: None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

The Company had no investment income that was excluded in 2011 or 2010. All of the Company’s investments and the income derived from such investments meet the criteria for admitted receivables.

8. Derivative Instruments

None

9. Income Taxes

A.(1) The Company’s net deferred tax asset (all ordinary) is reflected on the following schedule:

		12/31/11	12/31/10
1a.	Total of all deferred tax assets	\$1,423,151	\$1,654,993
1 b.	Statutory valuation allowance		
1c.	Adjusted gross deferred tax assets	1,423,151	1,654,993
1d.	Total of all deferred tax liabilities	(219,446)	(380,268)
1 e.	Net deferred tax asset(liability) before admissibility test	1,203,705	1,274,725
1f.	Total deferred tax assets non-admitted	-	420,419
1g.	Net admitted DTA or DTL	1,203,705	854,306

(2) The Company has not elected to admit DTAs pursuant to paragraph 10.e. The current period election does not differ from the prior reporting period.

(3) Not applicable

(4) Admission calculation components are as follows:

NOTES TO FINANCIAL STATEMENTS

		12/31/11	12/31/10
4a.	Admitted pursuant to par. 10.a.	\$1,203,705	\$ 854,306
4b.	Admitted pursuant to par, 10.b. (lesser of 10.b.ii. below)	-	-
4c.	Par 10.b.i.	-	-
4d.	Par 10.b.ii.	10,300,006	9,105,159
4e.	Admitted pursuant to 10.c.	219,446	380,268
4f.	Total	1,423,151	1,234,574
4g-l.	Additional admitted pursuant to par. 10.e.i.	n/a	n/a
	Admitted deferred tax assets	\$1,423,151	\$1,234,574

(5) Not applicable

(6) SSAP No. 10R Paragraphs 10.a, 10b. and 10c.:

		12/31/11	12/31/10
6a.	Admitted DTAs	\$1,423,151	\$1,234,574
6b.	Admitted Assets	214,619,324	192,257,386
6c.	Adjusted Statutory Surplus	103,000,059	91,051,593
6d.	Total Adjusted Capital from DTAs	115,765,924	98,938,636
	Increase due to SSAP No. 10R Paragraph 10e:		
6e.	Admitted DTA's		
6f.	Admitted Assets		
6g-l	Adjusted Statutory Surplus		

B. All deferred federal tax liabilities were recognized as an offset to deferred tax assets.

C. Current Tax and Change in Deferred Tax.

Current income taxes incurred consist of the following major components:

	12/31/11	12/31/10
Current income tax expense (benefit)	\$24,705,565	\$13,106,570
Tax on capital gains	35,762	(757)
Prior year under accrual (over accrual)	(416,872)	11,659
Federal income tax expense (benefit)	\$24,324,455	\$13,117,472

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

		12/31/11	12/31/10	Change	Character
Deferred tax assets:					
Discounting of unpaid losses	2a1.	\$497,479	\$343,269	\$154,210	ordinary
Unearned premium reserve	2a2.	-	-	-	ordinary
Fixed assets	2a7.	179,305	215,158	(35,853)	ordinary
Compensation and benefits accrual	2a8.	149,196	107,397	41,799	ordinary
Other	2a13.	597,171	989,169	(391,998)	ordinary
Total deferred tax assets		1,423,151	1,654,993	(231,842)	
Non-admitted deferred tax assets	2c.	-	(420,419)	(420,419)	
Admitted deferred tax assets		1,423,151	1,234,574	188,577	
Deferred tax liabilities:					
Other	3a5.	(219,446)	(380,268)	160,822	ordinary
Total deferred tax liabilities		(219,446)	(380,268)	160,822	
Non-admitted deferred tax liabilities		-	-	-	
Admitted deferred tax liabilities		(219,446)	(380,268)	160,822	
Net admitted deferred tax assets		\$1,203,705	\$854,306	\$349,399	

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-Admitted Assets is reported separately from the Change in Deferred Income taxes in the surplus section of the Annual Statement):

	2011	2010	Change
Total deferred tax assets	\$1,423,151	\$1,654,993	(\$231,842)
Total deferred tax liabilities	(219,446)	(380,268)	160,822
Net deferred tax asset (liability)	1,203,705	1,274,725	(71,020)
Tax effect of unrealized (gains)/losses			
Change in net deferred income tax assets-increase (decrease)			(\$71,020)

The Company is subject to taxation in the United States. With few exceptions, the Company is no longer subject to U.S. federal tax years on or before 2008 and state as well as local income tax examination for tax years on or before 2008.

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal tax rate to income before income taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
Taxes on income at federal statutory tax rate	\$69,667,519	\$24,383,632	35.0%
Changes in nonadmitted assets	25,934	9,077	0.01%
Meals and entertainment	9,749	3,412	0.00%
Other, including Prior Year True-up	(1,846)	(646)	0.00%
Reported tax expense	\$ 69,701,356	\$24,395,475	35.02%

Federal and foreign income taxes incurred	\$24,324,455	34.92%
Change in net deferred income taxes	71,020	0.10%
Total statutory income taxes	24,395,475	35.02%

E. There were no loss carry forwards.

The amount of federal income taxes incurred that will be available for recoupment in the event of future net losses is:

2011	\$24,741,327
2010	\$12,691,015

Deposits admitted under IRC Section 6603: None

F. Federal income tax return consolidation

(1) The Company’s Federal income tax return is consolidated with the following entities:

Molina Healthcare, Inc.	Molina Healthcare of Missouri, Inc.
Molina Healthcare of Arizona, Inc.	Molina Healthcare of Utah, Inc.
Molina Healthcare of California	Molina Healthcare of Virginia, Inc.
Molina Healthcare of California Partner Plan	Molina Healthcare of Mississippi, Inc.
Molina Healthcare of Michigan, Inc.	Molina Healthcare Services
Molina Healthcare of New Mexico, Inc.	Molina Healthcare of Illinois, Inc.
Molina Healthcare of Texas, Inc.	Molina Information Systems, LLC
Molina Healthcare of Washington, Inc.	Molina Healthcare of Wisconsin, Inc.
Molina Healthcare of Georgia, Inc.	Molina Center, LLC
Molina Healthcare of Nevada, Inc.	Molina Pathways, LLC
Molina Healthcare of Florida, Inc.	Molina Healthcare Data Center, Inc.
Molina Healthcare of Texas Insurance Company	American Family Care, Inc.
Molina Healthcare Insurance Company	Alliance for Community Health, LLC (dba Molina Healthcare of Missouri)

NOTES TO FINANCIAL STATEMENTS

(2) Molina Healthcare, Inc. (“Molina”) and its subsidiaries, including the Company, file a consolidated federal income tax return. Under a written intercompany tax-sharing agreement with Molina, approved by the Company’s board of directors, the combined federal income tax is allocated to each entity which is a party to the consolidation. Molina collects from, or refunds to, the subsidiaries the amount of taxes or benefits determined as if each entity filed separate tax returns. Under the tax-sharing agreement, the Company has an enforceable right to recoup federal income taxes paid in prior years in the event of future net losses or to recoup net losses carried forward as an offset to future net income subject to federal income taxes. Income tax recoverable under the tax-sharing agreement, if any, is included in federal income tax recoverable. Intercompany balances relating to income taxes are settled annually, on or before the date the tax return is filed.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company is a wholly owned subsidiary of Molina. Molina is a multi-state managed care organization that arranges for the delivery of health care services to persons eligible for Medicaid, Medicare, and other government-sponsored health care programs for low-income families and individuals. Molina also assists state agencies in their administration of the Medicaid program. Molina has wholly owned operating subsidiaries in various states as indicated in Note 9 above.
- B., C. The Company paid dividends totaling \$29 million to Molina in 2011.

The Company has an agreement with Molina whereby the Molina provides certain management services to the Company. Expenses incurred relating to this agreement amounted to \$60.7 million and \$46.2 million for the years ended December 31, 2011 and 2010, respectively.
- D. As of December 31, 2011, amounts due to Molina and affiliates totaled \$288,671, and amounts due from Molina and affiliates totaled \$0. Intercompany receivables and payables are generally settled on a monthly basis.
- E. On September 9, 2011, Molina entered into a credit agreement for a \$170 million revolving Credit Facility with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by the Company’s common stock, as well as the common stock of other subsidiaries of Molina. \$0 was outstanding under this credit facility as of December 31, 2011. As of December 31, 2011, Molina was in compliance with all financial covenants under the Credit Facility.
- F. The Company has a services agreement with Molina, as described in 10.C. above. Additionally, the Company has a contract with a business that provides certain vision services to the Company’s enrollees, and enrollees of Molina’s other subsidiaries. Molina holds an equity investment in this business. Under the Company’s contract with this related party, the Company paid \$5,113,848 and \$4,843,980 for vision services for the years ended December 31, 2011 and 2010, respectively.
- G. As indicated in 10.A. above, the Company is a wholly owned subsidiary of Molina. The entities under common ownership of Molina are indicated in Note 9.F. above.
- H. Amount deducted from the value of an upstream intermediate entity or ultimate parent owned: None
- I. Investment in subsidiary, controlled or affiliated (SCA) entity that exceeds 10% of the admitted assets of the insurer: None
- J. Investment in impaired SCA: None
- K. Investment in foreign subsidiary: None
- L. Investment in downstream noninsurance holding company: None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Plans

- A. Defined Benefit Plan: None
- B. Defined Contribution Plan: see 12.D. below
- C. Multiemployer Plans: None
- D. Consolidated/Holding Company Plans: The Company’s employees participate in a defined contribution 401(k) plan sponsored by Molina that covers substantially all full-time salaried and clerical employees. Eligible employees are allowed to contribute up to the maximum allowed by law. The Company matches up to the first 4% of compensation contributed by the employees. The Company has no legal obligation to provide benefits under the plan. The Company’s expense recognized in connection with the 401(k) plan was \$430,728 and \$364,666 for the years ended December 31, 2011 and 2010, respectively.
- E. Postemployment Benefits and Compensated Absences: None

NOTES TO FINANCIAL STATEMENTS

F. Impact of Medicare Modernization Act on Post Retirement Benefits: None

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 1,500 shares of \$0 par value common stock authorized, 1,500 shares issued and outstanding.
- (2) Preferred stock: None
- (3) Dividend restrictions: The payment of dividends by the Plan to its Parent is limited and can only be made from earned profits unless prior approval is received from the ODI. The amount of dividend that may be paid by insurance companies without prior approval of the Ohio Insurance Commissioner is also subject to restrictions relating to statutory surplus and net income. At December 31, 2011 and 2010, no dividends were paid without ODI approval. A dividend/distribution cannot decrease unassigned funds below zero.
- (4) Dividends paid by the Company to Molina during 2011 were as follows:

\$29,000,000 ordinary dividend was paid June 30, 2011.
- (5) Subject to the limitations of (3) above, no restrictions have been placed on the portion of the Company’s profits that may be paid as ordinary dividends to Molina.
- (6) Restrictions placed on unassigned funds (surplus): None
- (7) Advances to surplus not repaid: None
- (8) Stock held for special purposes: None
- (9) Changes in balances of special surplus funds from the prior period: None
- (10) Unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: None
- (11) Surplus Notes: None
- (12) Impact of the restatement in a quasi-reorganization: None
- (13) The effective date of a quasi-reorganization: None

14. Contingencies

- A. Contingent Commitments:
 - (1) Pledging of stock: As described in Note 10.E. above, Molina has entered into a credit facility, which is collateralized by the Company’s common stock, as well as the common stock of other subsidiaries of Molina. \$0 was outstanding under this credit facility as of December 31, 2011.
 - (2) The Company is not a guarantor.
 - (3) Not applicable.
- B. Assessments: The state of Ohio requires the remittance of premium taxes based on a percentage of premiums. Until September 30, 2009, such premium taxes were established as a fixed rate across all Medicaid managed care products and services statewide. This particular tax applied only to Medicaid health insuring corporations (HIC). Effective October 1, 2009, the state of Ohio repealed the Medicaid premium tax and replaced it by subjecting Medicaid plans to an existing 1% HIC tax plus state and county level sales and use taxes. The new combined effective tax rate is approximately 7.8% compared to the prior flat rate of 5.5%. Capitation premium rates were adjusted by the state of Ohio on October 1, 2009 to accommodate this increase in the effective rate. Premium tax expense amounted to \$76.7 million and \$67.4 million for the years ended December 31, 2011, and 2010, respectively.
- C. Gain Contingencies: None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits: None
- E. Product Warranties: None
- F. All Other Contingencies: From time to time, the Company may be involved in legal actions in the normal course of business, some of which involve a demand for both compensatory and punitive damages not covered by insurance. Currently, there are no pending or threatened actions which, to the knowledge and in the opinion of management and the Company’s counsel, would have a material adverse effect on the Company’s financial position, results of operations or cash flow.

NOTES TO FINANCIAL STATEMENTS

15. Leases

- A. Lessee lease arrangements
- (1) Operating leases: The Company leases office facilities and equipment under noncancelable long-term operating leases. Some of the leases contain escalation clauses and renewal options. Rental expense relating to these leases totaled \$658,493 and \$644,955 for the years ended December 31, 2011 and 2010, respectively.

(2) Future minimum lease payments for years ending December 31 are as follows:

2012	\$742,639
2013	\$718,914
2014	-
2015	-
2016	-
Thereafter	-
Total	\$1,461,553

- (3) Sale-leaseback transactions: None

B. Lessor lease arrangements: None

16. Information About Financial Instruments With Off-Balance Risk and Financial Instruments With Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, short-term investments, bonds and receivables. The Company invests a substantial portion of its cash in the Western Asset Institutional Government Reserves Fund who's objective is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The Fund invests exclusively in short-term U.S. Government obligations and related repurchase agreements. This Western Asset Fund investment totaled \$68.3 million as of December 31, 2011. The Company's investments are managed by professional portfolio managers operating under documented investment guidelines. Concentration of credit risk with respect to receivables is limited because the Company's only payors are the state of Ohio and the Centers for Medicare and Medicaid Services, or CMS.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans: None
- B. ASC Plans: None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract: None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

- A. (1) Assets Measured at Fair Value on a Recurring Basis

(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a.Assets at fair value				
Money market funds	\$78,455,231			\$78,455,231
Total assets at fair value	\$78,455,231			\$78,455,231
b.Liabilities at fair value				
None (see (3) below)				

NOTES TO FINANCIAL STATEMENTS

(2) None

(3) The Company’s statutory-basis balance sheets include the following financial instruments: cash, cash equivalents, short-term investments, bonds, investment income due and accrued, receivables, federal income taxes payable, claims liabilities, accounts payable, and other current liabilities. The Company believes the carrying amounts of current assets and current liabilities in the statutory-basis financial statements approximate the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment. The Company’s assets measured at fair value on a recurring basis include primarily short-term money market funds, which are classified as short-term investments. The Company receives monthly statements from investment brokers that provide market pricing.

(4) None

(5) None

B. See A. (3) above

C. Not applicable.

21. Other Items

- A. Extraordinary Items: None
- B. Troubled Debt Restructuring: None
- C. Other Disclosures: None
- D. Uncollectible Amounts: None
- E. Business Interruption Insurance Recoveries: None
- F. State Transferable and Non-transferable Tax Credits: None
- G. Subprime-Mortgage-Related Risk Exposure: None
- H. Retained Assets: None

22. Events Subsequent

Events Subsequent: There were no recognized or unrecognized events occurring subsequent to the close of the books that would have a material effect on the Company’s financial condition. Subsequent events were considered through February 29, 2012 for the statutory statement available to be issued on February 29, 2012.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) No

(2) No

Section 2 – Ceded Reinsurance Report – Part A

(1) No

(2) No

Section 3 – Ceded Reinsurance Report – Part B

(1) \$ 0

(2) No

B. Uncollectible Reinsurance: None

C. Commutation of Ceded Reinsurance: None

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Based on member encounter data the Company submits to the Centers for Medicare and Medicaid Services, or CMS, the Medicare premiums are subject to retroactive adjustment for both member risk scores and member pharmacy cost experience for up to two years after the original year of service. This adjustment takes into account the acuity of each member’s medical needs relative to what was anticipated when premiums were originally set for that member. In the event that a member requires less acute medical care than was anticipated by the original premium amount, CMS may recover premium from the Company. In the event that a member requires more acute medical care than was anticipated by the original premium amount, CMS may pay the Company additional retroactive premium. A similar retroactive reconciliation is undertaken by CMS for the Company's Medicare members’ pharmacy utilization. The Company estimates the amount of Medicare revenue that will ultimately be realized for the periods presented based on the knowledge of the members’ health care utilization patterns and CMS practices. Based on the Company's knowledge of member health care utilization patterns and expenses, the Company recorded a receivable of \$82,568 for anticipated Medicare risk adjustment premiums at December 31, 2011.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company for the year ended December 31, 2011 that were subject to retrospective rating features was \$1,852,046, which represented 0.2% of the total net premiums written by the Company in 2011.
- D. Medical Loss Ratio Rebates Required: None

25. Change in Incurred Claims and Claim Adjustment Expenses

The change in prior year estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred reported claims.

Claims unpaid activity as of December 31, and for the year then ended, is summarized as follows:

	2011	2010
Unpaid claims liabilities and claims adjustment expenses, beginning of year	\$ 62,020,241	\$ 59,992,799
Add provision for claims, net of reinsurance:		
Current year	772,361,824	673,984,797
Prior years	(8,629,798)	(9,553,364)
Net incurred claims during the current year	763,732,026	664,431,433
Deduct paid claims, net of reinsurance:		
Current year	\$ 706,005,057	\$ 624,096,611
Prior years	44,772,108	38,382,513
Net paid claims during the current year	750,777,165	675,714,575
Current year change in claims adjustment expenses	(25,223)	154,911
Current year change in health care receivables		
Current year change in amounts due from reinsurers	(483,606)	(79,778)
Unpaid claims liabilities and claims adjustment expenses, end of year	\$ 74,466,273	\$ 62,020,241

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

- A. Pharmaceutical Rebate Receivables: At December 31, 2011, the Company had recorded \$798,238 of pharmacy rebate receivables, of which \$4,899 were non-admitted.

Quarter	Estimated Pharmacy Rebates as Reported on Financial	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days After Billing	Actual Rebates Received More than 180 Days After Billing

NOTES TO FINANCIAL STATEMENTS

	Statements				
12/31/2011	\$798,238				
09/30/2011					
06/30/2011	\$4,899				
03/31/2011					
12/31/2010	\$49,028				\$5
09/30/2010	\$487,382				\$2
06/30/2010	\$308,582				(\$15,587)
03/31/2010	\$395,159				\$0
12/31/2009	\$1,164,515				\$3,501,046
09/30/2009	\$560,262				\$272,622
06/30/2009	\$2,843,383				\$1,105,463
03/31/2009	\$971,582				\$669,653

B. Risk-Sharing Receivables: None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State regulating? Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2006

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2006

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/10/2008

3.4

By what department or departments? Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1

Name of Entity

2

NAIC Co. Code

3

State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1

Nationality

2

Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1

Affiliate Name

2

Location (City, State)

3

FRB

4

OCC

5

OTS

6

FDIC

7

SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 725 S. Figueroa Street, Los Angeles, CA 90017-5418

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the answer to 10.5 is no or n/a, please explain.

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Brian F. Goebel, FSA, MAAA, Chief Actuary, 200 Oceangate, Suite 100, Long Beach, CA 90802 , Employee of the reporting entity

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes ☐ No ☐

13.3 Have there been any changes made to any of the trust indentures during the year?

Yes ☐ No ☐

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes ☐ No ☐ N/A ☐

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes ☒ No ☐

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended?

Yes ☐ No ☒

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ☐ No ☒

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?

Yes ☐ No ☒

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes ☒ No ☐

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes ☒ No ☐

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☒ No ☐

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

20.12 To stockholders not officers

20.13 Trustees, supreme or grand (Fraternal only)

\$.....0

\$.....0

\$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal only)

\$.....0

\$.....0

\$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ☐ No ☒

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

.....

.....

.....

.....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes ☐ No ☒

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

.....

.....

.....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☐ No ☒

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

.....

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)?

Yes ☐ No ☒

24.2 If no, give full and complete information relating thereto.

Securities are held by Custodian - Citigroup

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes ☐ No ☐ N/A ☒

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

.....

24.6 If answer to 24.4 is no, report amount of collateral for other programs.

.....

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.7

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [☐]

No [☐]

N/A [☒]

24.8

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐]

No [☐]

N/A [☒]

24.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [☐]

No [☐]

N/A [☒]

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3)

Yes [☒]

No [☐]

25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$.....0

25.22

Subject to reverse repurchase agreements

\$.....0

25.23

Subject to dollar repurchase agreements

\$.....0

25.24

Subject to reverse dollar repurchase agreements

\$.....0

25.25

Pledged as collateral

\$.....0

25.26

Placed under option agreements

\$.....0

25.27

Letter stock or securities restricted as to sale

\$.....0

25.28

On deposit with state or other regulatory body

\$.....412,945

25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [☐]

No [☒]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [☐]

No [☐]

N/A [☒]

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [☐]

No [☒]

27.2

If yes, state the amount thereof at December 31 of the current year:

.....

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [☒]

No [☐]

28.01

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
US Bank	60 Livingston Ave, St Paul , MN 55107
Citi Group	333 W. 34th St., NY, NY 10001

28.02

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [☒]

No [☐]

28.04

If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
PFM	US Bank	04/01/2011	US Bank is custodian for PFM Asset Management

28.05

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
149777	Morgan Stanley Smith Barney	555 California Str 35th Fl, San Francisco, CA 94111

29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [☐]

No [☒]

29.2

If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adj.Carrying Value
29.2999. TOTAL		0

29.3

For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation

30.

Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	.....194,523,486	.....194,523,486	.....0
30.2 Preferred stocks.....	.....	.....	.....0
30.3 Totals.....	.....194,523,486	.....194,523,486	.....0

30.4

Describe the sources or methods utilized in determining the fair values:
Fair values are provided by third party vendor, Clearwater Analytics, who uses unit prices published by the Securities Valuation Office of the NAIC (SVO) when available.
For securities not priced by the SVO Clearwater Analytics receives pricing from a variety of industry standard data providers.

31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [☐]

No [☒]

31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [☐]

No [☐]

31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1

Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [☒]

No [☐]

32.2

If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....62,386

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Ohio Association of Health Plans	51,578

34.1 Amount of payments for legal expenses, if any? \$.....3,980

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Carlile Patchen & Murray	3,980

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....21,401

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Internal Revenue Services	15,401

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒]

1.2

If yes, indicate premium earned on U.S. business only

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	998,772,343	865,962,971
2.2 Premium Denominator.....	998,772,343	865,962,971
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	73,485,008	61,013,753
2.5 Reserve Denominator.....	73,485,008	61,013,754
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, and if the earnings of the reporting entity permits?

Yes [☐]

No [☒]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [☒]

No [☐]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [☐]

No [☒]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [☒]

No [☐]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....700,000

5.32

Medical only

\$.....0

5.33

Medicare supplement

\$.....0

5.34

Dental and vision

\$.....0

5.35

Other limited benefit plan

\$.....0

5.36

Other

\$.....0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Federal regulation prohibits the balance billing of Medicaid members by providers. Such members constitute the vast majority of our enrollment. In addition, in the event of the Company's threatened insolvency, the state Medicaid agency would promptly transfer our subscribers to other carriers.

7.1

Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [☒]

No [☐]

7.2

If no, give details:

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

.....12,578

8.2

Number of providers at end of reporting year

.....17,632

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [☐]

No [☒]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

9.22

Business with rate guarantees over 36 months

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts?

Yes [☐]

No [☒]

10.2

If yes:

10.21

Maximum amount payable bonuses

10.22

Amount actually paid for year bonuses

10.23

Maximum amount payable withholds

10.24

Amount actually paid for year withholds

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 11.1. Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or

11.14 A Mixed Model (combination of above)?

Yes []

No [X]
- 11.2. Is the reporting entity subject to Minimum Net Worth Requirements?

Yes []

No [X]
- 11.3. If yes, show the name of the state requiring such net worth.

Ohio

Yes [X]

No []
- 11.4. If yes, show the amount required.

\$.....1,700,000
- 11.5. Is this amount included as part of a contingency reserve in stockholder's equity?

Yes []

No [X]
- 11.6. If the amount is calculated, show the calculation:

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
West Central, Central, South East
& South West Ohio Regions

- 13.1. Do you act as a custodian for health savings account?

Yes []

No [X]
- 13.2. If yes, please provide the amount of custodial funds held as of the reporting date.
- 13.3. Do you act as an administrator for health savings accounts?

Yes []

No [X]
- 13.4. If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	214,619,324	192,257,386	225,811,719	132,334,211	156,900,995
2. Total liabilities (Page 3, Line 24).....	98,853,400	93,318,750	152,216,158	72,898,319	105,099,168
3. Statutory surplus.....	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
4. Total capital and surplus (Page 3, Line 33).....	115,765,924	98,938,636	73,595,561	59,435,892	51,801,827
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	1,000,455,307	857,948,311	801,857,722	601,518,596	434,148,090
6. Total medical and hospital expenses (Line 18).....	763,732,026	664,431,433	676,288,156	539,101,555	386,900,836
7. Claims adjustment expenses (Line 20).....	22,781,732	21,588,156	21,960,967	14,212,851	9,173,685
8. Total administrative expenses (Line 21).....	145,466,426	121,828,258	99,198,344	67,013,205	47,786,334
9. Net underwriting gain (loss) (Line 24).....	68,475,123	50,100,464	4,410,255	(18,809,015)	(9,712,765)
10. Net investment gain (loss) (Line 27).....	1,192,396	938,941	1,117,215	2,895,590	3,042,410
11. Total other income (Lines 28 plus 29).....					(64,450)
12. Net income or (loss) (Line 32).....	45,343,065	37,921,933	(2,000,530)	(10,351,243)	(4,485,791)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	49,290,544	(15,343,262)	75,637,023	(47,123,020)	58,309,800
Risk-Based Capital Analysis					
14. Total adjusted capital.....	115,765,924	98,938,636	73,595,561	59,435,892	51,801,827
15. Authorized control level risk-based capital.....	26,316,855	22,885,880	23,100,297	17,643,907	13,101,271
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	248,004	244,942	216,273	176,483	136,378
17. Total member months (Column 6, Line 7).....	2,966,124	2,816,880	2,410,552	1,997,699	1,567,030
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	76.5	76.7	84.3	89.6	89.1
20. Cost containment expenses.....	1.9	2.1	2.1	1.8	1.5
21. Other claims adjustment expenses.....	0.4	0.4	0.6	0.6	0.6
22. Total underwriting deductions (Line 23).....	93.3	93.3	99.5	103.1	102.2
23. Total underwriting gain (loss) (Line 24).....	6.9	5.8	0.6	(3.1)	(2.2)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	31,751,456	18,597,155	49,664,856	38,634,817	14,066,514
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	47,641,229	26,516,451	36,337,347	48,760,069	12,349,694
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only							
				2	3	4	5	6	7	8	9
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....	AL	..N.....							.....0	
2.	Alaska.....	AK	..N.....							.....0	
3.	Arizona.....	AZ	..N.....							.....0	
4.	Arkansas.....	AR	..N.....							.....0	
5.	California.....	CA	..N.....							.....0	
6.	Colorado.....	CO	..N.....							.....0	
7.	Connecticut.....	CT	..N.....							.....0	
8.	Delaware.....	DE	..N.....							.....0	
9.	District of Columbia.....	DC	..N.....							.....0	
10.	Florida.....	FL	..N.....							.....0	
11.	Georgia.....	GA	..N.....							.....0	
12.	Hawaii.....	HI	..N.....							.....0	
13.	Idaho.....	ID	..N.....							.....0	
14.	Illinois.....	IL	..N.....							.....0	
15.	Indiana.....	IN	..N.....							.....0	
16.	Iowa.....	IA	..N.....							.....0	
17.	Kansas.....	KS	..N.....							.....0	
18.	Kentucky.....	KY	..N.....							.....0	
19.	Louisiana.....	LA	..N.....							.....0	
20.	Maine.....	ME	..N.....							.....0	
21.	Maryland.....	MD	..N.....							.....0	
22.	Massachusetts.....	MA	..N.....							.....0	
23.	Michigan.....	MI	..N.....							.....0	
24.	Minnesota.....	MN	..N.....							.....0	
25.	Mississippi.....	MS	..N.....							.....0	
26.	Missouri.....	MO	..N.....							.....0	
27.	Montana.....	MT	..N.....							.....0	
28.	Nebraska.....	NE	..N.....							.....0	
29.	Nevada.....	NV	..N.....							.....0	
30.	New Hampshire.....	NH	..N.....							.....0	
31.	New Jersey.....	NJ	..N.....							.....0	
32.	New Mexico.....	NM	..N.....							.....0	
33.	New York.....	NY	..N.....							.....0	
34.	North Carolina.....	NC	..N.....							.....0	
35.	North Dakota.....	ND	..N.....							.....0	
36.	Ohio.....	OH	..L.....		1,852,046	1,000,705,150				1,002,557,196	
37.	Oklahoma.....	OK	..N.....							.....0	
38.	Oregon.....	OR	..N.....							.....0	
39.	Pennsylvania.....	PA	..N.....							.....0	
40.	Rhode Island.....	RI	..N.....							.....0	
41.	South Carolina.....	SC	..N.....							.....0	
42.	South Dakota.....	SD	..N.....							.....0	
43.	Tennessee.....	TN	..N.....							.....0	
44.	Texas.....	TX	..N.....							.....0	
45.	Utah.....	UT	..N.....							.....0	
46.	Vermont.....	VT	..N.....							.....0	
47.	Virginia.....	VA	..N.....							.....0	
48.	Washington.....	WA	..N.....							.....0	
49.	West Virginia.....	WV	..N.....							.....0	
50.	Wisconsin.....	WI	..N.....							.....0	
51.	Wyoming.....	WY	..N.....							.....0	
52.	American Samoa.....	AS	..N.....							.....0	
53.	Guam.....	GU	..N.....							.....0	
54.	Puerto Rico.....	PR	..N.....							.....0	
55.	U.S. Virgin Islands.....	VI	..N.....							.....0	
56.	Northern Mariana Islands.....	MP	..N.....							.....0	
57.	Canada.....	CN	..N.....							.....0	
58.	Aggregate Other alien.....	OT	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	...XXX.....	.....0	1,852,046	1,000,705,150	.....0	.....0	.....0	1,002,557,196	.....0	
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX.....	.....							.....0	
61.	Total (Direct Business).....	(a).....1	.....0	1,852,046	1,000,705,150	.....0	.....0	.....0	1,002,557,196	.....0	

DETAILS OF WRITE-INS									
5801.	.....								.....0
5802.	.....								.....0
5803.	.....								.....0
5898.	Summary of remaining write-ins for line 58.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5899.	Total (Lines 5801 thru 5803 + 5898) (Line 58 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.
All premiums written within the state of Ohio.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

38

01531	DE	13-4204626	Molina Healthcare, Inc.
|-00000	CA	33-0342719	Molina Healthcare of California
|-52630	MI	38-3341599	Molina Healthcare of Michigan, Inc.
|-95502	UT	33-0617992	Molina Healthcare of Utah, Inc.
|-96270	WA	91-1284790	Molina Healthcare of Washington, Inc.
|-95739	NM	85-0408506	Molina Healthcare of New Mexico, Inc.
|-10757	TX	20-1494502	Molina Healthcare of Texas, Inc.
|-13778	TX	27-0522725	Molina Healthcare of Texas Insurance Company
|-12334	OH	20-0750134	Molina Healthcare of Ohio, Inc.
|-00000	CA	20-2714545	Molina Healthcare of California Partner Plan, Inc.
|-69647	OH	31-0628424	Molina Healthcare Insurance Company
|-95609	MO	43-1743902	Alliance for Community Health, LLC (dba Molina Healthcare of Missouri)
|-13128	FL	26-0155137	Molina Healthcare of Florida, Inc.
|-00000	VA	26-1769086	Molina Healthcare of Virginia, Inc.
|-00000	CA	27-1510177	Molina Information Systems, LLC (dba Molina Medicaid Solutions)
|-12007	WI	20-0813104	Molina Healthcare of Wisconsin, Inc.
|-14104	IL	27-1823188	Molina Healthcare of Illinois, Inc.
|-00000	DE	45-2854547	Molina Pathways, LLC
|-00000	DE	27-4034065	Molina Center LLC
|-00000	NM	45-2634351	Molina Healthcare Data Center, Inc.
|-00000	CA	37-1652282	American Family Care, Inc.
|-00000	AZ	26-1938644	Molina Healthcare of Arizona, Inc.
|-00000	GA	20-3372390	Molina Healthcare of Georgia, Inc.
|-12905	NV	20-3567602	Molina Healthcare of Nevada, Inc.
|-00000	MO	26-3342852	Molina Healthcare of Missouri, Inc.
|-00000	MS	26-4390042	Molina Healthcare of Mississippi, Inc.
|-00000	CA	27-0941584	Molina Healthcare Services

2011 ALPHABETICAL INDEX
HEALTH ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7	Schedule D – Part 6 – Section 2	E16
Assets	2	Schedule D – Summary By Country	SI04
Cash Flow	6	Schedule D – Verification Between Years	SI03
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DA – Part 1	E17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DA – Verification Between Years	SI10
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part A – Section 1	E18
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20	Schedule DB – Part A – Section 2	E19
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21	Schedule DB – Part A – Verification Between Years	SI11
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22	Schedule DB – Part B – Section 1	E20
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23	Schedule DB – Part B – Section 2	E21
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23	Schedule DB – Part B – Verification Between Years	SI11
Exhibit 8 – Furniture, Equipment and Supplies Owned	24	Schedule DB – Part C – Section 1	SI12
Exhibit of Capital Gains (Losses)	15	Schedule DB – Part C – Section 2	SI13
Exhibit of Net Investment Income	15	Schedule DB – Part D	E22
Exhibit of Nonadmitted Assets	16	Schedule DB – Verification	SI14
Exhibit of Premiums, Enrollment and Utilization (State Page)	29	Schedule DL – Part 1	E23
Five-Year Historical Data	28	Schedule DL – Part 2	E24
General Interrogatories	26	Schedule E – Part 1 – Cash	E25
Jurat Page	1	Schedule E – Part 2 – Cash Equivalents	E26
Liabilities, Capital and Surplus	3	Schedule E – Part 3 – Special Deposits	E27
Notes To Financial Statements	25	Schedule E – Verification Between Years	SI15
Overflow Page For Write-ins	42	Schedule S – Part 1 – Section 2	30
Schedule A – Part 1	E01	Schedule S – Part 2	31
Schedule A – Part 2	E02	Schedule S – Part 3 – Section 2	32
Schedule A – Part 3	E03	Schedule S – Part 4	33
Schedule A – Verification Between Years	SI02	Schedule S – Part 5	34
Schedule B – Part 1	E04	Schedule S – Part 6	35
Schedule B – Part 2	E05	Schedule T – Part 2 – Interstate Compact	37
Schedule B – Part 3	E06	Schedule T – Premiums and Other Considerations	36
Schedule B – Verification Between Years	SI02	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule BA – Part 1	E07	Schedule Y – Part 1A – Detail of Insurance Holding Company System	39
Schedule BA – Part 2	E08	Schedule Y - Part 2 – Summary of Insurer’s Transactions With Any Affiliates	40
Schedule BA – Part 3	E09	Statement of Revenue and Expenses	4
Schedule BA – Verification Between Years	SI03	Summary Investment Schedule	SI01
Schedule D – Part 1	E10	Supplemental Exhibits and Schedules Interrogatories	41
Schedule D – Part 1A – Section 1	SI05	Underwriting and Investment Exhibit – Part 1	8
Schedule D – Part 1A – Section 2	SI08	Underwriting and Investment Exhibit – Part 2	9
Schedule D – Part 2 – Section 1	E11	Underwriting and Investment Exhibit – Part 2A	10
Schedule D – Part 2 – Section 2	E12	Underwriting and Investment Exhibit – Part 2B	11
Schedule D – Part 3	E13	Underwriting and Investment Exhibit – Part 2C	12
Schedule D – Part 4	E14	Underwriting and Investment Exhibit – Part 2D	13
Schedule D – Part 5	E15	Underwriting and Investment Exhibit – Part 3	14
Schedule D – Part 6 – Section 1	E16		